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NATIONAL INTELLIGENCE DAILY CABLE

Friday July 29, 1977 CG NIDC 77-175C

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NATIONAL SECURITY INFORMATION

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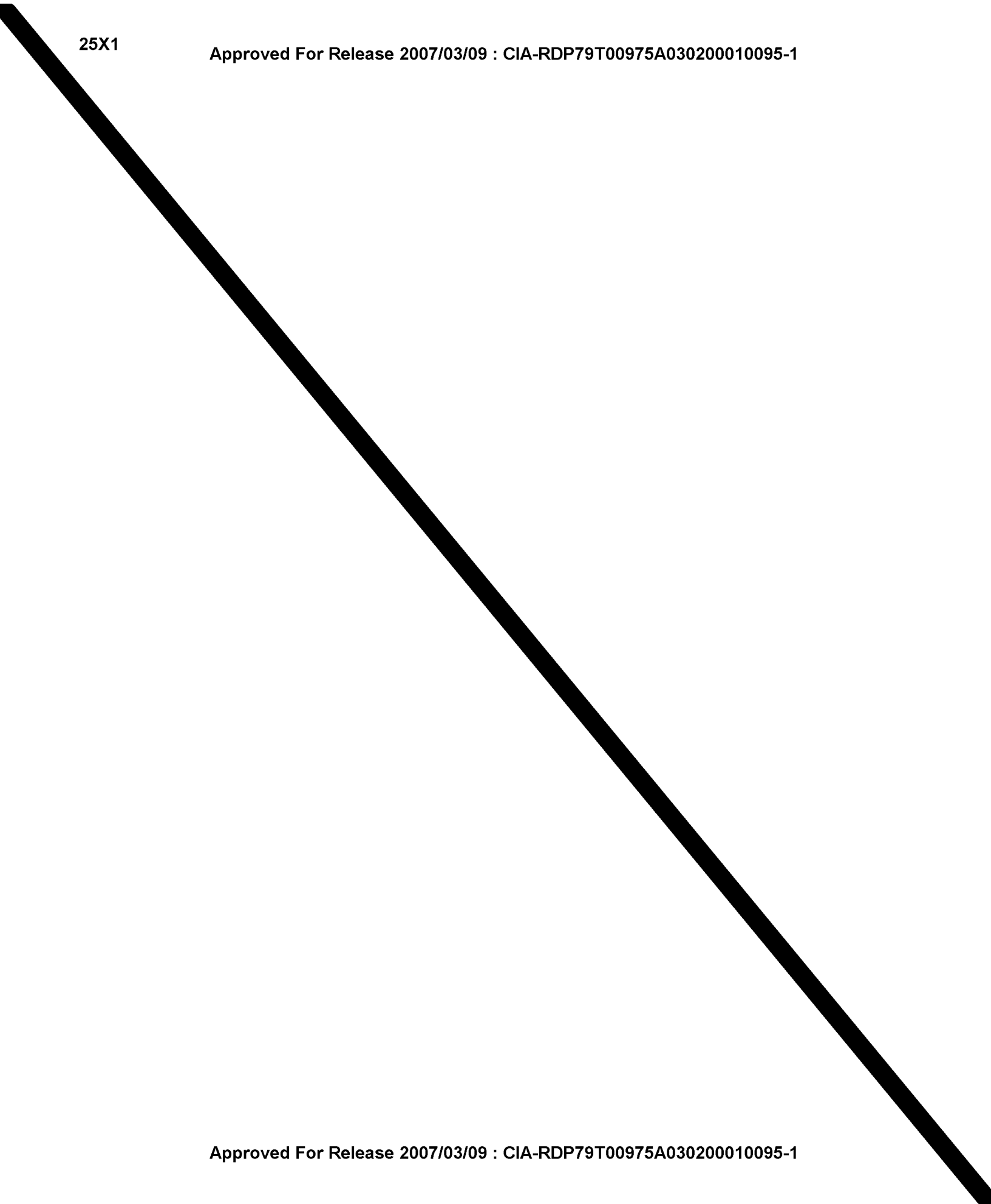
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National Intelligence Daily Cable for Friday July 29, 1977.

25X1 The NID Cable is for the purpose of informing senior US officials.

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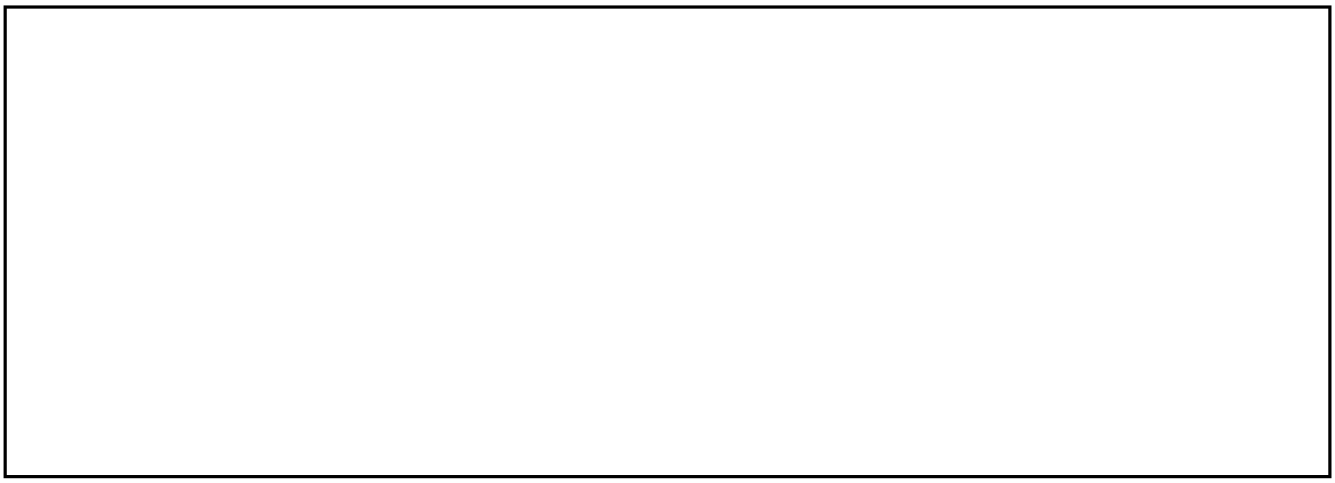
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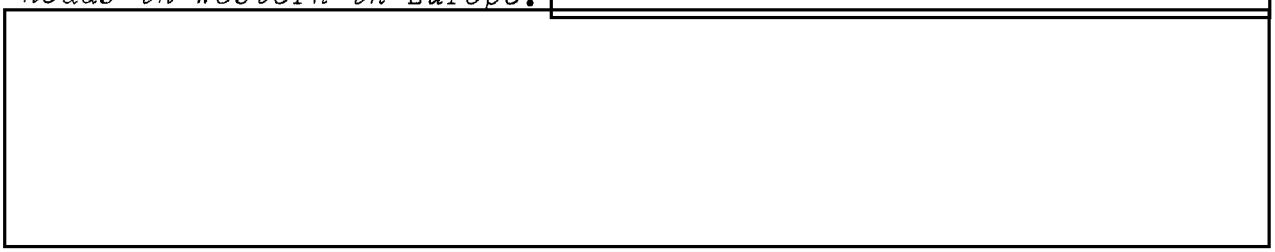
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USSR-US: Neutron Bomb Campaign

25X1 //*The Soviets are trying to discredit the US position on arms control and disarmament by playing up the world press reaction to possible US deployment of neutron warheads in Western in Europe.* 25X1 25X1



25X1 For the past two weeks, the Soviets have been selecting commentary from the world press and using their own editorials to portray neutron weapons as inhumane and as an impediment to further progress on arms limitation. *Pravda* has cited the weapon as a case study of "secret" US policymaking, and Tass said yesterday that the issue would hamper the mutual and balanced force reduction talks. Other Soviet commentary has charged that deployment of neutron weapons would be contrary to decisions reached at the Helsinki conference.

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25X1 Although Soviet media have stressed that the neutron weapon is a new development of major consequence, the Soviets presumably realize that the weapon probably would have little impact on the military balance in Europe and that the warhead would be deployed on existing delivery systems. The Soviets, nevertheless, are presumably concerned that the neutron weapon might make NATO less reluctant to escalate to nuclear war over Western Europe.

25X1 Enhanced-radiation weapons, moreover, would provide US forces in Western Europe with increased flexibility, particularly in view of Moscow's general lack of passive defense against a neutron warhead for its tactical field forces.

25X1 Thus far, the increased criticism of US weapons programs has not altered an apparent Soviet decision to tone down personal criticism of President Carter. For the past several months, the Soviets have been painting a highly negative picture of the President's intentions. More recently, however, the Soviet attacks have been against US policies rather than the US President, particularly on issues related to SALT and the Middle East.

25X1 Apparently some Soviet leaders believe that the almost unrelieved negative assessment of the Carter administration's intentions was counterproductive, although there has apparently been no decision to change the substance of Soviet accusations on key policy-related issues. 25X1

ALBANIA-CHINA: Breaking Point

25X1 *A Chinese Foreign Ministry spokesman has denied that China has been asked to withdraw its advisers from Albania. The denial is designed to scotch press speculation that relations between the two countries are reaching the breaking point. Peking is clearly sensitive to the kind of crowing that is coming from Moscow and Eastern Europe over China's difficulties with what was its main ideological ally.*

25X1 There is little doubt that in recent weeks Chinese-Albanian relations have reached an all-time low. Frictions between the two countries date at least from China's opening to

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the West in 1971, but the dispute has clearly taken on new importance in Albania since the emergence of the new Chinese leadership last fall.

25X1 The Albanians resented the purge of China's leading leftists, with whom Tirana felt it had a special relationship. The Albanians also almost certainly were angered by the recent rehabilitation of Teng Hsiao-ping, whose ouster last year was applauded in the Albanian media. In addition, the Albanian leadership, which has long been at odds with Yugoslavia, is no doubt irritated that in the coming weeks Peking will play host to Yugoslav President Tito for the first time.

25X1 //A break with China would have important implications for Albania. Chinese economic and military aid, although reduced significantly, has been continuing. Some projects started years ago are still in progress, but apparently no new aid projects were contracted for the current five-year-plan period (1976-1980).//

25X1 Recent Albanian attempts to improve political and economic relations with selected West European countries--particularly Greece and France--show that Tirana is concerned about its isolation. The Albanian regime, which has sharply criticized Peking for its "opportunistic" attempts to better relations with the West, is now itself seeking such ties with noncommunist countries. It is doubtful, however, that these countries would fill the gap created by a Chinese decision to end assistance to Albania.

25X1 An alternative for the Albanians would be to reestablish relations with an earlier ally, the Soviet Union. Albanian propaganda, however, continues to assail the Soviet leadership. In talks with foreign diplomats earlier this month, Premier Shehu said that Albania was still worried about Soviet aggressiveness. There is no indication that any faction within the Albanian leadership is hoping for the return of the Soviets.

25X1 Moscow would be interested in resuming contacts with Tirana and has put out feelers to test Albanian receptiveness. Prior to late 1961, when the two countries broke diplomatic relations, Moscow maintained a strong economic and military presence in Albania. The Albanian port of Vlore was at one time the only Soviet naval base on the Mediterranean.

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25X1 [redacted] Some members of the Albanian leadership may disagree with party leader Enver Hoxha's policies and be concerned about the rapid deterioration of relations with China. There may also be skepticism about the effectiveness of the "self reliance" with which Hoxha hopes to remedy the possible loss of Chinese assistance. The appearance last week in the Albanian press of an article praising Chinese industrial production--the first such item in over three months--could be an indication of internal opposition to Hoxha's policies.

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[redacted]

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NAMIBIA: SWAPO's Weak Leadership

25X1 *//The South-West Africa People's Organization has accepted the invitation of the five-power Western contact group to meet in New York to discuss the talks with South Africa on independence for Namibia. SWAPO president Nujoma will head the delegation, but no other important SWAPO leader is accompanying him. Nujoma is a weak leader and the decision to send a low-level delegation with him may reflect internal frictions in the SWAPO leadership.//*

25X1 //SWAPO has proposed that the talks begin August 8. Nujoma and SWAPO's representatives to the UN, Theo-Ben Gurirab, will participate, but most other members of the delegation appear to be low-level officials. No representative of SWAPO's internal wing in Namibia was named to the delegation. SWAPO internal and external leaders had accused the five-power group of trying to split the movement by briefing its leaders separately, and this was a major factor behind Western efforts to assemble the major SWAPO leaders in New York.//

25X1 //The five Western states--the US, the UK, West Germany, France, and Canada--have often encountered difficulties in briefing SWAPO leaders; the peripatetic Nujoma can almost never be found, and the invitation to the New York meeting was outstanding for more than a month. Although these problems can be attributed in part to SWAPO suspicions of South African motives and to problems of communication among SWAPO officials, frictions within the movement's top ranks--stemming in large part from Nujoma's weak leadership--could be a major cause of the difficulty.//

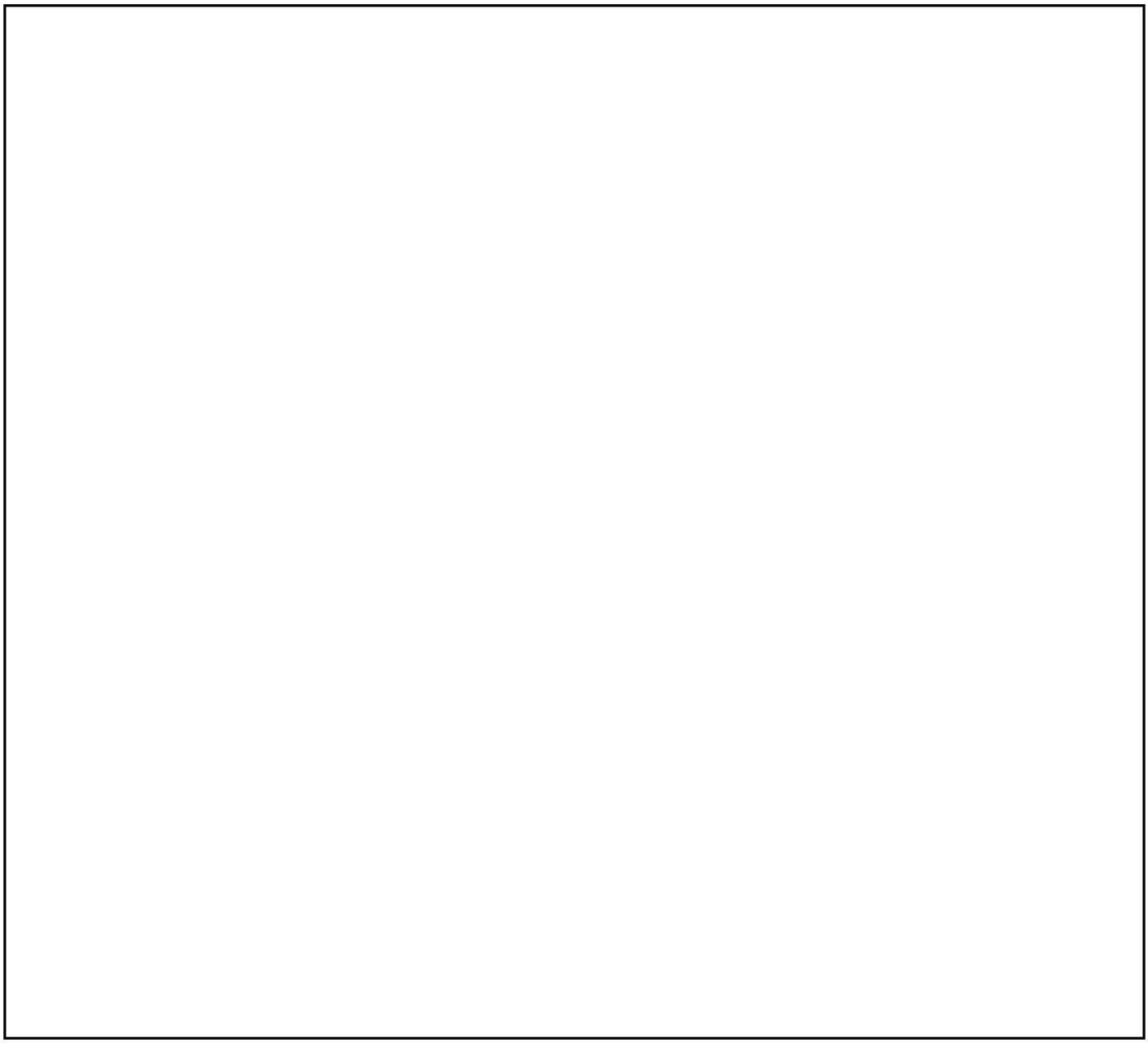
25X1 //Although Nujoma is reputed to speak for SWAPO, he invariably has refrained from committing the movement to any course of action until he can consult fully with the executive committee.//

25X1 //SWAPO vice president Muyongo recently affirmed the significance of the executive committee's role when he told US officials that the delegation could make decisions in New York only if executive committee approval were obtained beforehand. The behavior of these SWAPO leaders suggests the presence of personal rivalries--and even substantive differences--in the top ranks of the movement.//

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EAST GERMANY: Dissident Critics

25X1 [redacted] *East German dissidents are openly criticizing the regime for the first time since the expulsion last November of dissident singer Wolf Biermann.*

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25X1 A number of interviews with and articles by dissidents have appeared in the Western press in the last two weeks. Some dissidents now believe that the regime's easing of controls last year was only temporary and intended to keep dissident intellectuals off balance. They allege that the party is now trying to bring pressure on those who signed a declaration of solidarity with Biermann.

25X1 Because of these pressures, several noted East German artists and writers have said they also plan to emigrate. On the other hand, regime critics like Jurek Becker, who was interviewed recently by the West German news magazine *Der Spiegel*, and Stefan Heym, an internationally respected writer who talked with *Newsweek*, have said they will remain. They have vowed to criticize the regime when they see fit.

25X1 The government, fearing that an organized dissident movement could develop, has been encouraging unrepentant critics to leave quietly. The party is anxious to avoid incidents during the Belgrade talks on European security, and it probably also hopes that the departures will break up nascent dissident groups by getting rid of their leaders.

25X1 A number of well-known intellectuals, like novelist Reine-Kunze, have already left the country, and those who remain may also find it difficult to withstand the pressure to
25X1 emigrate.

USSR: Fisheries Agreements with LDCs

25X1 *The USSR, anxious to bypass constraints on its fishing industry imposed by the 200-mile territorial zones declared by various countries, has continued to expand its fisheries assistance program in the Third World. New agreements in the past 18 months with seven developing countries--mostly to create joint fishing ventures--bring the total number of such Soviet fisheries accords to 38.*

25X1 These agreements give the USSR the most widespread and largest fisheries assistance program among the developing countries. They also provide Moscow with fishing concessions and logistic support for its vast fishing fleet at relatively small cost.

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25X1 Initially, the USSR viewed fisheries assistance as a means of satisfying the requirements of its own far-flung fleet. By providing these countries with extensive port and processing facilities, trawlers, fishing gear, and training, the Soviets have obtained reciprocal services and access to port facilities, prolonging the fleet's time at sea.

25X1 In recent years, the USSR has increasingly preferred to engage in joint ownership arrangements in which 49 percent of the investment is Soviet. Because 60 percent of the Soviet catch comes from within 200 miles of the coasts of other countries, the USSR has felt the need to guarantee its long-term access to developing countries' waters and to secure a voice in their national fisheries policies.

25X1 Through the joint ventures, the developing countries receive technical services, training, and research facilities with minimum outlays. They also obtain modern facilities through lease or purchase from the Soviets.

25X1 More recently, Moscow has negotiated commercial joint ventures designed to provide Soviet fishing vessels with ship-chandling services and to aid in processing, freezing, and marketing the Soviet catch. These ventures are located in Singapore, Spain, and the Philippines.

25X1 Fransov, a joint Soviet-French company established in 1975, acts as an agent for the Soviet fleet in obtaining fishing rights in waters of countries where direct Soviet access has been politically impossible. Fransov also markets some of the Soviet fleet's catch from African waters, registers Soviet trawlers in developing countries, and may be managing construction of Soviet shore facilities in several countries.

25X1 The use of joint commercial companies, such as Fransov, appeals to some governments because they can receive the benefits of an increased fish catch as well as profits from sales and yet not pay the political cost of direct association with Moscow.

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USSR: Retail Services Resolutions

25X1 *//A the Soviet joint party-government resolution on improving retail trade highlights Moscow's concern with consumer morale, at a low ebb as local food shortages continue to exacerbate the problems of daily living in the USSR. Although the decree is more notable for recognizing existing problems, it does provide a setting for some expansion of private sector food output. Unless funds are provided and incentives are given to workers, however, significant improvement in this area is unlikely.//*

25X1 Sections of the decree that are most likely to alleviate current problems include:

--Orders to local governments to increase the amount of produce from private plots being brought to collective farm markets.

--Orders to collective and state farms to allocate motor transport to help get surplus produce to the market.

--Provisions for the construction of new markets.

25X1 To the extent that these measures are implemented, they will rejuvenate the collective farm markets, which have deteriorated over the past decade. They also would represent a retreat from a policy to move away from reliance on the private sector.

25X1 Since the 1975 harvest disaster, an extensive campaign has been under way urging local administrations to make full use of private sector food production. Now that the campaign is at least partially codified there should be a marked increase in the private sector's contribution to food supplies.

25X1 Other sections of the decree that go beyond the usual exhortations to provide better quality and "more polite" service include:

--An order to industrial ministries producing consumer goods to open stores for direct sales to the public.

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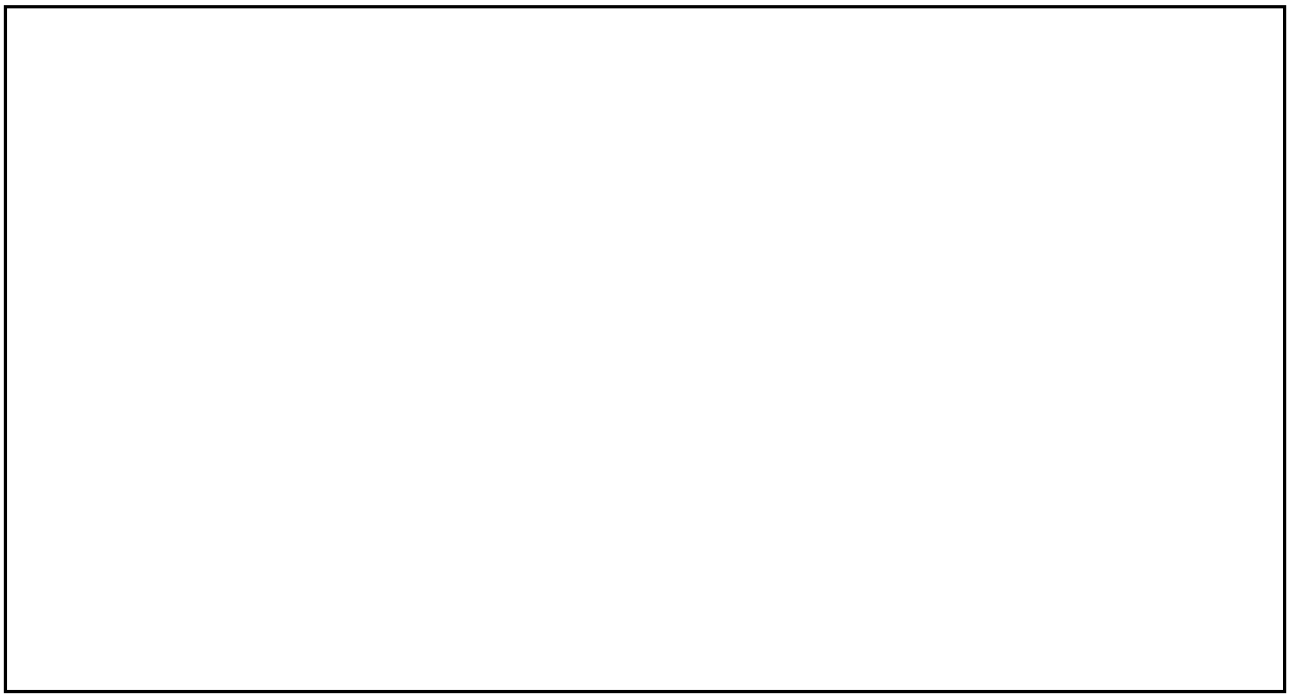
--Authorization for local governments to build retail trade enterprises after 1979.

--Permission for state finance organs to loan money to retail establishments to build or modernize their premises and support facilities.

25X1 The stress on more self-service stores and on prepackaging consumer goods--both still relatively uncommon in the USSR--could ease the consumer's lot significantly. Soviet families are estimated to spend nearly two hours each day buying necessities.

25X1 At the same time, the resolution repeats much of the language used in pronouncements from earlier years, most recently in 1972, to improve trade. The earlier decrees were notable for their lack of results. Without provision for specific investment funds--in addition to those already allocated for the tenth five-year plan period (1976 to 1980)--and without incentives to encourage retail workers, it is unlikely that substantial improvement in the retail trade network or service to consumers will occur. 25X1

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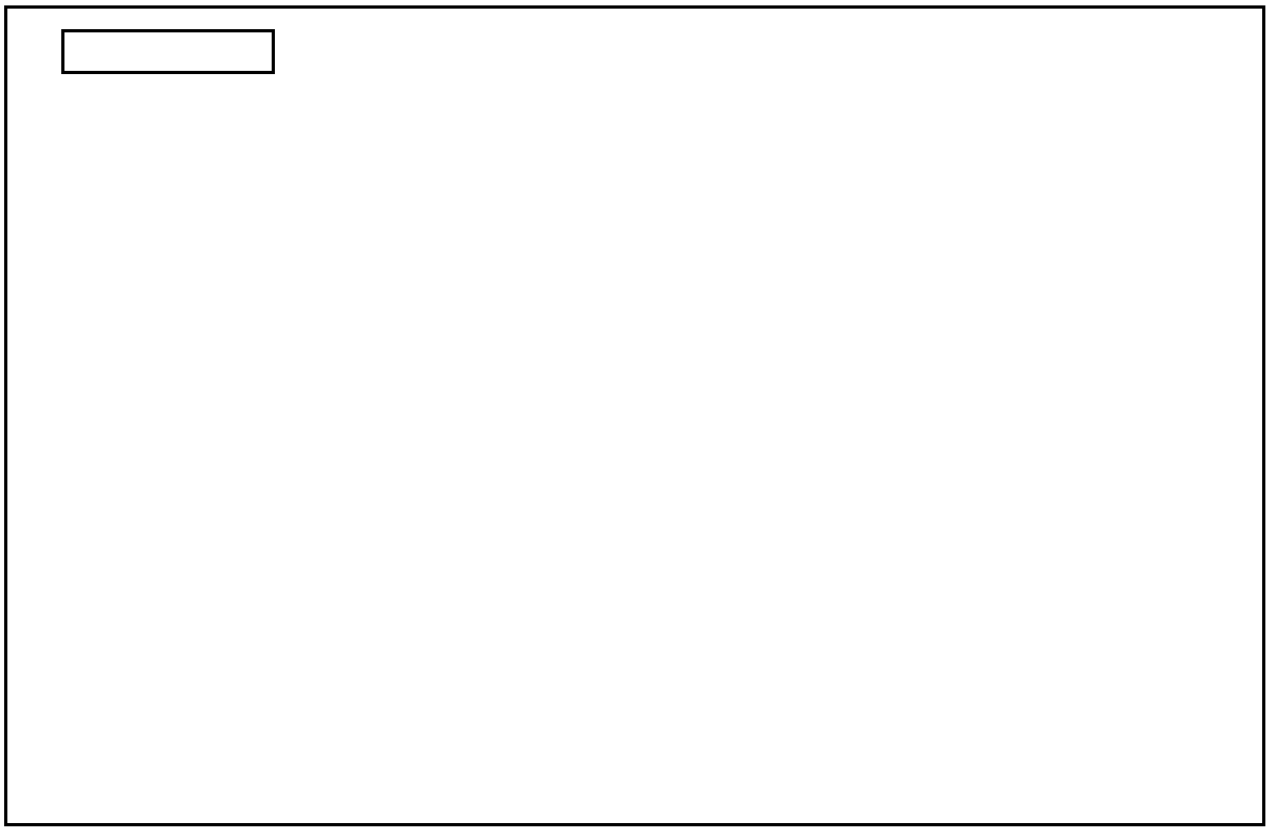


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BRIEFS

Pakistan:

25X1 Pakistan's military government yesterday released former prime minister Bhutto and 15 other political leaders who had been in custody since the coup on July 5.

25X1 The release is a further indication that Chief Martial Law Administrator Zia-ul-Haq, despite the objections of some senior army officers, is still determined to hold elections and give up power in October. He has made it clear, however, that he is prepared to impose strict controls on political activity if necessary. The threat of violence throughout the country and separatist tendencies in the two westernmost provinces are major concerns to him.

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25X1 Most political activity is banned until the formal opening of the campaign in mid-September. With the release of Bhutto and the others, the actual campaign could well begin much earlier and, despite Zia's efforts, could quickly become vituperative and violent. 25X1

Guatemala-UK:

25X1 //Guatemala and the UK agreed yesterday to take steps to reduce tensions on the border between Guatemala and the internally self-governing British territory of Belize, and to continue negotiations on Belize's future. Three weeks ago the British reinforced their garrison in Belize following what they perceived to be an increased Guatemalan military threat to enforce its claim to Belize.//

25X1 //No dates were set yesterday for the withdrawal of British reinforcements or the next round of talks, but British Foreign Office Undersecretary Ted Rowlands said that the military situation in Belize would "reflect the course of the negotiations." Both sides also promised to find formulas to prevent incidents along the border. 25X1

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Yugoslavia:

25X1 The Soviet delegation to the Belgrade CSCE meeting continues to insist upon a firm closing date for the fall review conference, thereby reducing the likelihood of an early end to the current session.

25X1 At an evening meeting on Wednesday, the Soviets sharply reiterated their refusal to accept the Western and neutral position that the duration of the fall meeting be determined by consensus. Moscow has accepted a provision for reconvening the fall meeting on January 16, 1978, if work on the concluding document remains uncompleted, but the Soviets want a guarantee that all work will come to an end within four weeks from that
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